



U.S. Small Business  
Administration

**Statement of Robb Wong  
Associate Administrator  
Office of Government Contracting and Business Development  
U.S. Small Business Administration**

**before the  
House Committee on Small Business  
Subcommittee on Contracting and Infrastructure**

**Hearing on Oversight of the SBA's Women Owned Small Business  
Federal Contract Program**

**May 16, 2019**

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Thank you, Chairman Golden, Ranking Member Stauber, and members of the subcommittee for inviting me to speak with you. In my testimony today, I would like to outline the role of the Office of Government Contracting and Business Development (GCBD); share our progress in implementing certification for the Women Owned Small Business (WOSB) program; comment on the GAO review; and identify the steps we are taking to move forward.

I serve as Associate Administrator for GCBD. We are the office that works with all other federal agencies to ensure that their buying strategies and practices provide maximum practicable opportunity to small businesses. The federal government spends nearly \$500 billion a year on goods and services through contracting. The Small Business Act establishes a government-wide goal at not less than 23% of prime contract awards go to small businesses. I am happy to report that agencies have achieved record highs over the past few years, exceeding the 23% goal. Additionally, it should be noted that the government increased the number of dollars awarded to small businesses. In 2014, the government awarded a record \$99 billion. In 2017, we reached a new high of \$105 billion, and we expect to greatly exceed that in 2018. This has meant more contracts, meaning more revenue, for small businesses and more jobs.

In addition to the government-wide small business goal of 23%, there are four socio-economic contracting goals – 5% for small disadvantaged and women owned small businesses; 3% for service-disabled veteran-owned small businesses; and 3% for small businesses located in Historically Underutilized business zones. In order to help achieve these goals, there are various tools contracting officers can use to help achieve these goals, including set-asides which allow businesses in these programs to only compete amongst similarly situated entities.

Currently, two of SBA's small business contracting programs require SBA to certify the businesses size and status –the 8(a) Business Development Program and the Historically Underutilized Business Zone (HUBZone) Program. Small businesses in the Service-disabled Veteran-owned (SDVOSB) and the Women-owned small business (WOSB) Program are able to self-certify their size and status. The SBA certification involves record and document reviews of the companies and then periodic eligibility checks. As you know, the 2015 National Defense Authorization Act changed the requirement for WOSBs in the WOSB program to be SBA certified.

When I arrived two years ago, I realized that the certification program still needed to be implemented. Administrator McMahon made it a priority for me. We got to work right away on drafting the rule – which is now out for public comment. Currently, we receive 2,000 8(a) applications a year and have approximately 5,000 firms in the portfolio. SBA has 53 staff to manage this workload. The HUBZone program receives about 1500 applications per year, with a portfolio of approximately 5000 firms. SBA has a staff of 17 to manage this workload. In addition to the staff I listed above, SBA has 140 Business Opportunity Specialists in our District Offices – they perform critical oversight functions like site visits and eligibility reviews for the 8(a) and HUBZone programs. The number of self-certified WOSB firms is larger than both 8(a)

and HUBZone combined – approximately 11,000. SBA currently has 7 full time staff devoted to WOSB.

I quickly saw that the challenge of this program was bigger than just getting a rule published. We have begun working on our internal processes to ensure that we could handle the increase in firms to certify. In doing so, we made the determination that we could not simply set up another siloed process like 8(a) and HUBZone. We have a blueprint that will break down the processes of each of the certification programs and aim to unify the entire process. Though 8(a) and HUBZone, and eventually WOSB, are different programs, they share several commonalities in terms of eligibility criteria. By having a unified processing system, we will increase efficiency across all of the certification without sacrificing our main objective – assure the public that when a contract is awarded to an SBA certified company through a set-aside, that company is eligible to receive it.

Now, I'd like to address the GAO report on the WOSB program. We appreciate GAO's work across two reports on this program. In particular, their highlighting the need for greater scrutiny of the Third Party Certifiers. The initial law that created the WOSB program mandated the self-certification portion and enabled businesses to utilize non-profit entities as certifiers. SBA currently has four Third Party Certifiers authorized on behalf of the program. GAO noted that SBA's oversight of these Third Party Certifiers has been uneven. Since then, we have initiated ongoing engagement with them – listening to their best practices and hearing what their challenges may be. We intend to continue that effort through regular meetings.

Another area of oversight GAO, and our own Inspector General, pointed out was the number of set aside awards that had used the wrong NAICS codes. Under the WOSB set aside program, only certain NAICS codes are eligible to be set aside for a WOSB/EDWOSB. Finding a high number of incorrect awards, SBA has begun greater outreach and training to agencies and their contracting officers. This topic has been the subject of recent Small Business Procurement Advisory Council meetings, has become an element of buying activity surveillance reviews, and the focus of conference call training sessions we hold for any contracting officer who requests one.

In closing, I want to thank the committee for your attention to this program, and for GAO's work to point out the path we need to take. My goal is to increase contracting opportunities and dollars to all Women Owned Small Businesses. There are currently 70,000 of them registered to do business with the federal government, with 11,000 currently self-certified as eligible for set aside. A robust certification program will ensure they can continue to do great work for the government and create jobs in their communities.

Thank you, and I am happy to take any questions.